A Global Urban Agenda

Trisha Riggs

Cities worldwide—in various stages of growth—are facing a host of challenges related to population increases or losses, demographic changes pertaining to both age and ethnicity composition, a rich-poor income gap, major shifts in the employment base, environmental degradation, adequate investment in education and infrastructure, blurring municipal boundaries, and a decline in both public sector and private sector leadership. This was the consensus of leading urban experts assembled in London this past June 15–17.

The varied abilities of small and large cities to prepare for and respond to the vast changes of the 21st century were explored at ULI's first-ever World Cities Forum. Attended by more than 250 individuals from 20 countries, the forum was an international gathering of distinguished public and private sector representatives from within, and outside, the land use industry, all of whom were invited to share their expertise in creating a global urban agenda to improve the quality of life in urban areas around the world.

Britain's deputy prime minister John Prescott opened the forum with an overview of the country's urban regeneration efforts, in-

ULI's World Cities Forum this past June in London takes a global view of urban growth obstacles and opportunities.

Clockwise: Koon Hean Cheong, CEO, Urban Redevelopment Authority, Singapore; Charles H. Shaw, chairman, The Shaw Company, Chicago, Illinois; A.J. Jaganathan, CEO, EMAAR Properties, Dubai, UAE; Wolfgang Grulke, founder/chairman, FutureWorld International Limited, Gibraltar, Spain; Anthony Williams, mayor, Washington, D.C.; Tom Murphy, mayor, Pittsburgh, Pennsylvania.

cluding its Sustainable Communities Plan, which, through planning reforms, aims to provide more affordable housing, tie housing to jobs, improve public spaces, provide more transit options, and reduce traffic congestion. "We want the planning system to link housing, transport, and economic development at the regional level, help narrow the economic gap, create mixed communities, use land more efficiently, protect the countryside, reverse the growth in out-of-town retail, and encourage potential residents and retailers to return to our city centers," Prescott explained.

"Creating sustainable communities is not just about the government and the private sector funding physical regeneration in our towns and cities. To be successful, we also have to break down the professional silos and connect professional disciplines in a completely new way . . . the time is right to discuss a common approach to sustainable communities that still reflects the rich diversity of our towns, cities, and people."

Britan's Deputy Prime Minister John Prescott.

Human-Scale Design

His Royal Highness the Prince of Wales advised participants at ULI's World Cities Forum to respond to changes in technology, demographics, and economic globalization by "thinking differently about the role of the human being in design, and the need for human-scale design as a fundamental unit of everything we do."

In a videotaped message, Prince Charles discussed the challenges and opportunities of development in the dramatically changing land use environment of the 21st century. "The challenge before you today comes down to this: how you can help to build, and to rebuild, great and lasting cities worthy of our humanity . . . . You have in your power to determine . . . whether the cities of tomorrow will be a disorganized collection of dazzling iconic monuments and technological 'product'—around which human beings must fit themselves as best they can—or whether they will be coherent, vital, and humane places," he said.

During the past century, Prince Charles noted, much of what was built was oriented to suit cars, not people, resulting in a severely compromised public realm. "We have planned well for the car, but in so doing, we have severed our cities and towns with unwalkable roads, and destroyed the civic realm—the walkable streets and the beautiful public spaces that we now see are the glue of human activity," he said. "We've planned reasonably well for all manner of industrial, commercial, and technological activities, but not so well, I fear, for the enduring civic quality of our cities and towns."

He pointed to the Duchy of Cornwall's development of Poundbury in Dorchester, England, as an example of a highly successful, sustainable community that is walkable, compact, and integrated. "While there are certainly many things that are different about our own age, there are far more things that are not different. We have not turned into machines . . . . We still need connections: to each other, to our heritage, to a balanced and whole way of life," Prince Charles said.

HRH Prince Charles, Prince of Wales.

The new emphasis on integrated urban design and the new generation of tools to implement this design are greatly encouraging, Prince Charles noted, because they are making the mixed-use development process less complicated for developers and are helping assure the public that the end product will enhance the community's quality of life. "This emphasis on traditional civic urbanism is not about going back to some imagined world of the past, but about understanding the 'collective intelligence' embodied in our heritage, ready to be unlocked and regenerated for a richer future," he said.

The Prince of Wales's speech opened the final day of the World Cities Forum, underscoring the event's theme of creatively using the built environment to enhance and improve the economic, social, and physical composition of cities.—T.R.

ULI President Richard M. Rosan and ULI Europe President William P. Kistler provided a framework for the forum's discussions with presentations on worldwide urbanization. Rosan cited United Nations statistics indicating that by 2030, more than 80 percent of the population in the Americas and Europe will be urbanized, while 54 percent of the population in Asia will be living in urban areas. Moreover, he reported that by 2015, 61 of the largest urban areas in the world will be in Asia. "Clearly, some dramatic population shifts are taking place, and it will be interesting to see if the areas gaining population are able to parlay those gains into economic dominance," Rosan said.

One indicator of Asia's explosive growth is the rate of office construction, he noted. In Beijing, the amount of office space under construction in the central business district equals 75 percent of the existing space. Shanghai is adding the equivalent of one-third of its existing space. In comparison, both New York and London are adding the equivalent of 1 percent.

However, while Asian megacities dominate the population charts, medium to small cities are growing the quickest, pointed out Rosan. For instance, by 2030, nearly one-third of the world's population will live in cities with populations of less than 500,000. "In the years ahead, the markets to watch will likely be places that few of us would ever think of," he said.

"Whether it's a small or large urban area, this worldwide shift from rural to urban living shows that people increasingly are moving to cities in search of employment, education, health care, and a better overall quality of life. At the same time, this influx of new residents will strain many of our cities," maintained Rosan. "They'll be struggling to manage growth, respond to demographic changes, build enough affordable housing, provide adequate transportation options, and, in general, find the best way to build, restore, and renew themselves."

Kistler provided a statistical analysis of 28 leading world cities, based on size, economic importance, geographic location, and growth rates. Of these, 11 were in Asia, six in North America, five in Europe, three in the Middle East, and three in Latin America. Among the most significant findings, Kistler said, is that while urban sprawl is largely considered a U.S. problem, in fact, sprawl is occurring in cities around the world. For example, he noted, Frankfurt's rate of land consumption soared over the past 30 years, while its population declined.

Urban Agenda Guidelines

"An intelligent city plan thinks impartially for all parts of the city at the same time, and does not forget the greater needs of tomorrow in the press of today. It recognizes the economy of preventive measures over corrective costs."—**J.C. Nichols, a ULI founding member and the namesake of the ULI J.C. Nichols Prize for Visionaries in Urban Development**

Although Nichols made this observation more than 60 years ago, it could easily serve as the premise of the Institute's inaugural World Cities Forum. The purpose was to bring together some of the leading thought provocateurs within and outside of the land use profession to share ideas on preparing a long-term, flexible urban agenda that cities worldwide can use to prepare for growth challenges of the 21st century.

In addition to three former Nichols Prize laureates—Joseph P. Riley, Jr., mayor of Charleston, South Carolina; Gerald D. Hines, founder of the Hines real estate organization; and Richard D. Baron, chief executive officer of McCormack Baron Salazar in St. Louis—the event drew 250 luminaries from 20 countries, such as John Prescott, deputy prime minister of Great Britain; Koon Hean Cheong, chief executive officer of the Singapore Urban Development Authority; Lyndsay Neilson, secretary of the department of sustainability and environment in Victoria, Australia; Soud Ba'alawy, chief executive officer of the Dubai Investment Group in Dubai; Vincent H.S. Lo, chairman, Shui On Holdings Limited, Hong Kong; Akio Makiyama, chairman, Forum for Urban Development, Tokyo; Michael Spies, senior managing partner, Tishman Speyer Properties in London; Jan de Kreij, chief executive officer, Corio, Utretcht, the Netherlands; Anthony Williams, mayor of Washington, D.C.; and Thomas Murphy, mayor of Pittsburgh.

Following individual and general group discussions throughout the course of the event, the urban agenda began to take shape, culminating on the forum's third day with a general guideline:

■ Never Forget the Basics
· Promote basic, tangible services
· Assure security
· Provide a clean environment

■ Be Visionary
· Build public/private/community support
· Take a long-term view
· Think outside municipal boundaries; adopt a regional perspective
· Reinvent or die; design for change, whether it means expanding growth or contracting growth

■ Be Authentic
· Acknowledge the city's unique identity
· Be best in class at something
· Be yourself; do not copy
· Play to your strengths
· Build on existing assets, including history, culture, and the physical environment

■ Commit to Social Equity
· Establish a property rights system to promote inclusion
· Create market transparency
· Provide well-integrated, affordable housing dispersed throughout the city

■ Use the Public Realm as a Source of Community Pride
· Foster public spaces that free the human spirit
· Create open, green spaces accessible to all
· Use public spaces to create and foster community identity

■ Plan and Build for Sustainability/Livability
· Move environmental issues to the front burner
· Let sustainability guide decision making
· Seek a common and focused understanding of sustainability successes
· Share best practices
· Work toward sustainable communities, not just buildings
· Optimize stewardship in the use of natural resources
· Seek continuous improvement one project at a time
· Use education incentives, bonuses, and awards, not just regulation

■ Embrace Diversity
· Be open to immigration
· Be open to different lifestyles
· Enable economic mobility—class mobility is key to hope
· Celebrate economic, cultural, and social diversity
· Establish an environment of intellectual stimulation and creativity

■ Create Infrastructure First as a Framework for Development in the City

Recipients of the ULI J.C. Nichols Prize for Visionaries in Urban Development, left to right, Joseph P. Riley, Jr., mayor, Charleston, South Carolina (2000), Richard D. Baron, CEO, McCormack Baron Salazar Inc., St. Louis, Missouri (2004), and Gerald D. Hines, chairman, Hines, London, U.K. (2002).

· Allow for flexible development and growth
· Address social and human needs to connect locally and globally
· Create financially viable infrastructure programs

■ Connect Transportation and Land Use—Plan a Transportation Policy That:
· Can be fully integrated into the land use planning process
· Connects with residential, employment, and recreational uses
· Recognizes that you cannot build your way out of congestion

■ Lead
· Act before you are forced to
· Sell the vision
· Create alliances of credible private, public, and individual champions
· Consider your legacy for future generations
· Engage all stakeholders
· Think globally; implement regionally and locally
· Be a bridge and a facilitator among stakeholders.

"The urban blueprint we create is long term; we will not likely benefit from it, but with hope, our children, grandchildren, and great-grandchildren will," said Harry H. Frampton III, former ULI chairman and forum cochairman. Borrowing Nichols's timeless advice, he urged forum participants to approach their work "considering the greater needs of

Great Public Spaces

Cities rely far more on the development of great public spaces than of iconic buildings to ensure long-term economic and social vibrancy, according to a panel of renowned architects and architecture experts at ULI's World Cities Forum.

The panel's discussion centered around the role of architecture in creating sustainable, viable cities, and the relationship between a city's buildings and its public spaces. The panel, moderated by new ULI Chairman Marilyn J. Taylor, partner at Skidmore, Owings & Merrill in New York City, included Lord Norman Foster, director, Foster and Partners in London; A. Eugene Kohn, founder and chairman, Kohn Pederson Fox Associates PC in New York City; Jean Nouvel, partner, Ateliers Jean Nouvel in Paris; and Paul Finch, deputy chair of the Commission for Architecture and the Built Environment in London and editor of the Architectural Review.

The consensus of the panelists: The public realm infrastructure serves a critical function as a uniting feature for cities, and must be designed to foster an atmosphere of inclusivity, of "classless-ness," that gives all residents a sense of ownership and a shared stake in their cities.

According to Foster, the connection between the buildings is more important than the buildings themselves. "When I think of exciting cities, I think of infrastructure, not architecture. The essence of the city is [captured in] the connections provided by public space," Foster said. The value of architecture, he noted, "is about what it contributes to the public domain."

Kohn concurred, citing several public spaces in New York—the plaza at Rockefeller Center, the recently revitalized Bryant Park, and Central Park—as key contributors to the welfare of that city's residents. "The reality is that the quality of the city fabric is what is important. Icons are not what cities are," he maintained.

Finch pointed to the irony of public space as being a key contributor to a city's success. Although its value cannot be increased through real estate development, "psychologically, it [well-designed public space] is a city's greatest asset . . . . start with a park or water, and you will find your city," he noted. In

ULI Chairman and SOM partner Marilyn Taylor moderated a panel on the role of architects in creating sustainable, viable cities.

the public realm, "you are the equal of other citizens . . . . you are the same as the next man," Finch said, referring to public space as "the equalizer."

Great architecture, Finch said, is the result of architects who are willing to think in terms of what a particular building does for the city as a whole. "By thinking beyond the boundaries of the building, you are thinking about the city residents at large, not just the building users, and that provides a much more substantial benefit," he added.

"Land is not becoming more plentiful in any country. It is a finite resource, and cities around the world need to be taking steps to minimize the land used to accommodate growth," explained Kistler.

Another telling result of Kistler's analysis: the number of skyscrapers in a city does not automatically equate to higher density. Los Angeles, for instance, which has far fewer towers than New York, is actually more dense, he said. The analysis also included a comparison of office occupancy costs, showing that London, at over $190 per square foot, remains the priciest market in which to operate a business. However, noted Kistler, this has not deterred companies from locating in that city. "Businesses will pay a premium to be located in an area that offers a high quality of life," he said.

Keynote speaker Sir Peter Hall, senior resident fellow at the Institute of Community Studies and professor of planning at the Bartlett School of Architecture and Planning at the University College in London, added to the urbanization discussion by describing three types of cities experiencing various stages of growth. In the first category are cities coping with "informal hypergrowth," such as cities in the Middle East and sub-Saharan Africa, generally characterized as having very poor economies, high poverty rates, high birth rates, poorly educated women, and tremendous environmental and health problems. The second category consists of cities managing dynamic growth, such as cities in Latin America and Asia, characterized as having very large populations but waning population growth, a slowing birth rate, an aging population,

and problems in scrambling to provide adequate housing and efficient transportation systems. In the third group are mature cities seeking to remain competitive despite a rapidly rising elderly population and a shrinking workforce. These include cities in North America, Europe, and Japan, in which the number of small households is growing rapidly, economies are slowing, and population growth is due more to immigration than births.

At the same time that rapid population growth is occurring in cities in the first category, competition for talent is occurring between cities in the second and third categories, he noted. Moreover, though each group is facing unique growth problems, all three types share a common need for an adequately financed infrastructure system, Hall said. "The big challenge is how to generate resources for essential infrastructure, which generates value for [surrounding] property," he suggested.

Other highlights of the forum included a videotaped address by His Royal Highness the Prince of Wales, who advised participants to respond to changes in technology, demographics, and economic globalization by "thinking differently about the role of the human being in design, and the need for human-scale design as a fundamental unit of everything we do." (See "Human-Scale Design" feature box on page 100.)

Keynote speaker Wolfgang Grulke, founder and chairman of FutureWorld in Gibraltar, Spain, offered several "lessons from the future" that he said could influence the way cities are developed in

In the next 50 to 100 years, the true urban icons will be major infrastructure projects, such as bridges or dams that improve the functionality of cities, the panelists predicted. Though a major tower can serve as a symbol of economic power, "showing the world that you have arrived," the great civil structures will be remembered more than towers, Kohn observed.

"For me, the essence of the city is the quality of life contained in its public space," noted Nouvel. Open space, he added, is the defining characteristic signifying the extent to which a city values all its residents.

"As cities are created and reshaped by economics, politics, geography, and culture, we must create linkages among dense communities, provide public space, and preserve essential natural resources," maintained Taylor. "Only by addressing these issues together can we envision a sustainable—and humanistic—future."—**T.R.**

Panel members included, clockwise, Lord Norman Foster, Foster and Partners, London, U.K.; Paul Finch, partner, Linkalaters, London, U.K.; Jean Nouvel, architect/planner, Ateliers Jean Nouvel, Paris, France; and A. Eugene Kohn, founder/chairman, Kohn Pederson Fox Associates, PC, New York City.
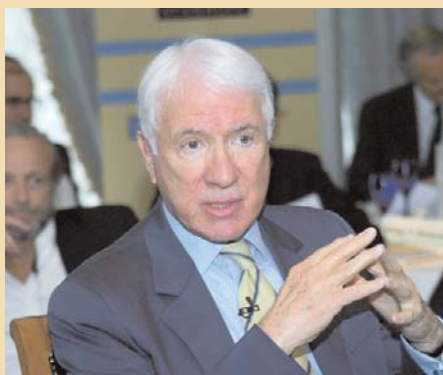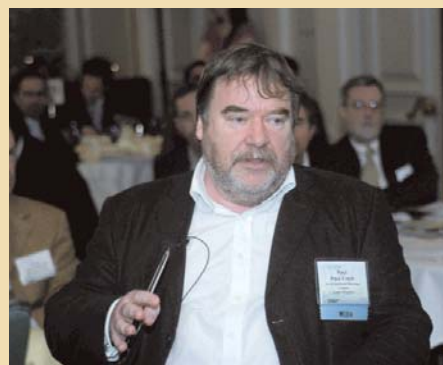
this century. Among the lessons: information and ideas will continue to fuel the economy; biotechnology is the second information revolution; leadership roles will be more widely shared; and success is most likely achieved by avoiding competition and pursuing areas in which there are no competitors. Grulke urged forum attendees to "embrace change, not just tolerate it," and cautioned against overanalyzing the risks of taking action "if you believe something can be done."

The World Cities Forum was structured to approach the complex subject of cities from several aspects: civic leadership, urban design, demographics, the global economy, sustainability, urban and cultural anthropology, and geopolitics. The free-flowing, highly interactive discussions on each topic were led by seven thought provocateurs: Richard D. Baron, chief executive officer, McCormack Baron Salazar Inc. in St. Louis, Missouri; Joan Busquets, urban designer, BAU-B Arqhitectura/Urbanisme, Barcelona, Spain; Anthony Champion, professor, School of Geography, Politics, and Sociology, University of Newcastle, Newcastle upon Tyne, U.K.; Hernando de Soto, president, Institute for Liberty and Democracy, Lima, Peru; Paul Hawken, executive director, Natural Capital Institute, Sausalito, California; Jennifer James, urban/cultural anthropologist, Jennifer James Inc., Seahurst, Washington; and Fareed Zakaria, editor, *Newsweek International*, New York City. (See Back Page column, page 152.)

While each discussion pertained to a specific issue, the common thread among all was the need for countries and cities worldwide

to encourage social equity—to make investments in public space and public services such as education and infrastructure, and to expand property ownership opportunities—to give the majority of residents a sense of ownership where they live. James, who described providing this stake as giving a "future orientation," noted that the explosion in information technology has "toppled the power structure" in many cities. "If cities do not provide a future orientation to the people who live and work in them, the price is high . . . . Global justice is critical in the time of the Internet, where people can easily see what they are missing," she said.

Baron, the 2004 laureate of the ULI/J.C. Nichols Prize for Visionary Urban Development, spoke about the need for more private sector leadership to coordinate and provide services that once were offered through the public sector, such as school and infrastructure funding and construction. "The issue is not one of resources, it's one of will. We have reached a point where it is not acceptable to be silent," he maintained. "We need to speak out, and take a leadership role . . . . It is time to be more engaged and not permit a vacuum to exist in our cities."

The individual discussions resulting from each topic are being synthesized into a workable urban blueprint "that cities around the world can use to improve their prospects for success," explained Harry H. Frampton III, former ULI chairman and World Cities Forum cochairman. Despite the vast differences in the size, physical characteristics, economy, demographics, and ethnic diversity of

Thought Provocateurs

The seven thought provocateurs who spearheaded ULI's World Cities Forum idea exchange were chosen for their expertise in specific areas pertaining to urban growth. Richard D. Baron, chief executive officer, McCormack Baron Salazar Inc. in St. Louis, led discussions on civic leadership; urban design was covered by Joan Busquets, urban designer, BAU-B Arqhitectura/Urbanisme, Barcelona, Spain; demographics, by Anthony Champion, professor, School of Geography, Politics, and Sociology, University of Newcastle, Newcastle upon Tyne, U.K; the global economy, by Hernando de Soto, president, Institute for Liberty and Democracy, Lima, Peru; sustainability, by Paul Hawken, executive director, Natural Capital Institute, Sausalito, California; urban and cultural anthropology, by Jennifer James, urban/cultural anthropologist, Jennifer James Inc., Seahurst, Washington; and geopolitics, by Fareed Zakaria, editor, *Newsweek International,* New York City.

Before the forum, these experts presented papers pertaining to their areas of expertise, to set the stage for the ensuing discussions and the creation of the urban agenda (the complete papers are available at www.worldcitiesforum.org):

■ "A New Role for the Private Sector as an Instrument for Social Change": Richard Baron contends that the complexities of community redevelopment require an integrated plan that is sensitive to neighborhood assets, reflects good architectural design, and offers an opportunity for both existing and new residents to live together. "A successful intervention program for distressed low- and moderate-income neighborhoods must consider the program areas of housing and community development, employment, education, security, and related social services as integral reinforcing elements . . . to attack deficiencies in the bundle of essential neighborhood resources and revive household confidence and commitment to a viable neighborhood . . . . The complexity of a successful redevelopment program can be handled more effectively by a private or a public/private entity that has the vision and ability to tackle a variety of issues simultaneously . . . . The entrepreneurial aspect of this work lends itself to those in private and nonprofit sectors who have a desire to lead."

■ "Urban Design: Public Spaces, Cities and Livability": Joan Busquets looks at the design and redesign of both small, intown public spaces and major open urban spaces, noting that today's urban design is addressing a variety of issues, including: a greater role for public space in overall urban design; a greater significance given to urban mobility in the definition of urban space; a continued occurrence of irrational development, despite improvements in urban design and planning; and the appearance of similar development patterns in different cities worldwide, creating a "global identity."

Like Baron, Busquets also sees a stronger role for the private sector in city growth, but emphasizes the need for public sector participation. "The years when the public sector believed it could handle everything are over, but this does not mean the public sector cannot provide a 'long-term vision' as well as a strong hand in key projects for the city that require solid political support. On the other hand, the growth of the city itself has always been and will continue to be primarily a private enterprise . . . . Designers and planners must bypass the controversy between public and private sectors and see themselves as agents in favor of the city at large and its potential for improvement."

■ "Demographics": Anthony Champion points to seven major demographic changes that pose challenges for cities and other urban areas: growth of the 60-plus age group, which is wealthier than previous generations and has a wider choice of where to live in retirement; increasing numbers of the very elderly (80-plus) with fewer children to support them; changing work patterns resulting from the rising elderly dependence ratios; new lifestyles and household formations, with especially strong growth in the number of people living by themselves; increasing diversity of ethnicities and cultural preferences; increasing social polarization within and between cities; and greater emphasis on quality of life.

"While many of the major cities around the world seem to have regained their momentum, there remains uncertainty about what the future holds for the balance of residential preferences, and about the details of the form that new development in and around existing settlements will take. Clearly, one important source of this uncertainty is in the altering, and apparently diversifying, demographic regimes, and in the associated changes in social behavior and spatial sorting."

■ "Seeds for Sowing Prosperity": Hernando de Soto discusses the consequences of a lack of class mobility for people in less developed countries who have no access to property rights and limited opportunities for gainful employment, leaving them with no hope and no stake in their communities. He contends that less developed countries need three basic institutions for growth and eventual prosperity: organizational forms that increase individual productivity through the division of labor; legal means for enterprises to operate; and a property rights system that replaces informal possessory arrangements, and that will allow people and assets to be identified, people to be made accountable, and assets to generate greater wealth in the expanded market. Most workers in less developed countries, says de Soto, "do not enjoy the benefits of the three institutions . . . . The result is that their productivity is extremely low and their capacity to reap the rewards of organized, large-scale production in an expanded market is practically nil; and their chances of using property efficiently and obtaining credit and capital in competitive conditions are nonexistent . . . . Here [in less developed countries], most people cannot prosper, governments cannot rule, and terrorism and crime are difficult to control because they are actually useful or appealing to some types of disenfranchised people."

■ "Cities on Earth": Paul Hawken explores the relationship between city systems and ecosystems, and the similarity of the manner in which both have fallen into decline and should be restored. "Just as ecosystem degradation and loss are largely invisible to the city, the urban poor are largely unseen by the state. Just as ecosystems produce monetized natural resources and far more valuable unmonetized ecosystem services, urban systems have a multiple role. They produce the monetized human resources of educated minds and skilled hands that make products and services. And they also provide unmonetized social services—culture, wisdom, law, science, art, and a whole range of attributes and behaviors that make us human and make our lives worth living . . . . The promise of the city is the reimagination of what it means to be a human being. This will require whole-system approaches to habitation, transportation, food, and infrastructure . . . . The city cannot be 'fixed' one piece at a time, it cannot be developed in isolation from the principles of sustainability . . . . Just as in nature, where true solutions systematically include all aspects of the environment, the city can be healed only if it includes all of its people in its design."

The seven thought provocateurs, left to right from top, Richard D. Baron, CEO, McCormack Baron Salazar, St. Louis; Anthony Champion, professor, School of Geography, Politics, and Sociology, University of Newcastle, Newcastle upon Tyne, U.K.; Paul Hawken, executive director, Natural Capital Institute, Sausalito, California; Hernando de Soto, president, Institute for Liberty and Democracy, Lima, Peru; Fareed Zakaria, editor, *Newsweek International,* New York City; Jennifer James, urban/cultural anthropologist, Seahurst, Washington; and Joan Busquets, urban designer, BAU-B Arquitectura/ Urbanisme, Barcelona, Spain.

■ "The City as Transformative Environment": Jennifer James discusses the lure of urban centers as places to gather, interact, gain new perspectives, and have new experiences with vastly different types of people. "Urban environments are not just places for individual opportunity; they are also unique crucibles for transformation because of their density, inherent cultural complexity, variety of subcultures, and multiple information systems. . . .The adaptive environment of successful cities provides an antenna for the future. Cities change the world because they support and enhance economic and social mobility for diverse groups . . . . Most people want a wider world, and that is the lure of a great city . . . . Improvements in our lives, increments of civility, are gained through well-known mechanisms: contact, communication, access to education, inclusiveness, alternatives to violence, open information, and public grace. Increasing our knowledge of transformative urban culture will contribute to successful urban development."

■ "Geopolitics": Fareed Zakaria looks at two global trends shaping urban growth worldwide: the threat of terrorism, which he describes as a short-term trend with immediate implications; and globalization, which he describes as a medium-term trend with more long-term consequences. Terrorism, Zakaria says, is a threat that is being tempered by favorable political and economic conditions that are making it more difficult to recruit large numbers of terrorists. However, at the same time, this threat is being enhanced by technology that is making it easier for small bands of terrorists to inflict great harm.

Globalization, Zakaria says, could possibly have a more significant impact on urban growth, because it has enabled other countries—particularly those in Asia—to compete with the United States as a major economic player. "The most powerful driver of political events in the medium and perhaps long term is going to be globalization . . . . To put it mildly, the natives are getting very good at capitalism . . . . Countries around the world are becoming more market friendly, and, far more important, more disciplined and effective at these economic policies, which is freeing up the energies of their people to compete and collaborate across the globe . . . . The countervailing force to these strong economic and technological trends is nationalism . . . . In much of the world, nationalism is being defined these days as being in opposition to the American 'domination' of the world . . . . A robust desire to be independent of the United States might still be at work in many parts of the world. In any event, a world where other countries gain relevance and power is going to be a different world, eventually."—**T.R.**

Lack of Title Limits Future of Informal Settlements

Several themes emerged and worked their way through different sessions during the three days of ULI's World Cities Forum. Among them was the problem—and opportunity—presented by slum housing.

If anyone had been under the impression that slum housing is a marginal problem, Hernando de Soto set the record straight with a simple statistic. Of the world's 6 billion people, 4 billion live in illegal settlements, said de Soto, president of the Institute for Liberty and Democracy.

Early in the forum, keynote speaker Sir Peter Hall had outlined some of the problems of informal settlements when he explained the characteristics of what he describes as Type 1 cities. These cities are coping with informal hypergrowth and depend heavily on their informal business and housing sectors, said Hall, referring to housing and commerce outside the normal legal and organizational frameworks, typified by shanty housing without legal title and businesses that are unregulated and untaxed.

Referring to slums in Africa—which he said are among the worst in the world—and to those in South America, where there are extreme contrasts between rich and poor with slums alongside luxury housing, Hall said that part of the answer has to be in female education to bring about a reduction in the birth rate. He also said that the establishment of micro-credit networks, through which small amounts of credit are extended to poor people to finance basic economic activity, should be encouraged. Hall added that it also is necessary to formalize the informal economies that exist in these settlements.

"These cities suffer from a raft of serious problems," he said. "The economy does not keep pace with population; there are high birth rates, a huge surplus of unskilled labor, and dire poverty among women."

Later during the forum, de Soto sought to dispel the "myth" that economies in less developed countries cannot keep up with the growth in population. He stated that a financial value can be placed on informal settlements and when this was undertaken in Cairo, the value of illegal buildings was estimated at $248 billion. "It is not that poor people are not creating economic value, it is that there is no means of connecting to it," he said, adding, "what creates credit is credibility."

De Soto set out his thesis in a discussion paper, "Seeds for Sowing Prosperity," which was published at the forum. He advocates the formalization of informal economies, including that part played by real estate. "In the past of today's developed countries, the extralegal sector has been the launching pad for creating more productive enterprises in an expanding market."

He said that three institutions are essential for growth: organizational forms that protect the family and increase productivity through division of labor; the legal means for enterprises to operate in the expanding markets of less developed countries; and formal "fungible," property rights to replace posses-

Sir Peter Hall, senior resident fellow, Institute of Community Studies and professor of Planning, Bartlett School of Architecture and Planning, University College, London, U.K.

sory arrangements. He noted that the last of these allows assets to be identified, people to be made accountable, and assets to move and capture value in the expanded market.

De Soto explained that until a property and capital formation system is in place that is tailored to the circumstances of the poor, they cannot be helped in any significant way.

Even though poor owners and small entrepreneurs collectively have billions of dollars, their assets are "dead capital," said de Soto. Less developed countries must therefore develop a system that integrates the assets of the extralegal majority into the mainstream market, makes these assets fungible and their owners accountable, and provides the owners with the connecting devices that allow them to leverage their usefulness in the economy.—Paul Strohm, editor, *Urban Land Europe*

cities around the world, "they all share a common need to be developed and redeveloped in a way that reinforces and respects their traditions, history, and character, while enhancing their efforts to reinvent themselves to thrive in the 21st century," Frampton said.

According to Sir Stuart Lipton, ULI trustee and World Cities Forum cochairman, preservation of the civic landscape will be a key part of the urban agenda. "The civic landscape is at the roots of our society, part of our humanity. It is both a real and symbolic space where we reflect and exercise our civil liberty," he said. "We have to put quality into the ordinary. The totality of civic space is what matters, not just a few good buildings." ∎

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